

LNF Work Group Meeting

November 29, 2000 – San Francisco, California

LNF Workgroup Membership

NAME	REPRESENTING	Present
Jim Crouch	California Area Tribes & Tribal co-chair	YES
Reuben Howard	Tucson Area Tribes	YES
Howard Roach	Oklahoma Area Tribes	YES
Bob Hall	Urban Projects	
Orie Williams	Alaska Area Tribes	YES
Thomas John	Nashville Area Tribes	YES
Daniel Honahni	Phoenix Area Tribes	YES
Deanna Bauman	NIHB	
Russ Vizna	Bemidji Area Tribes	
Cliff Wiggins	IHS co-chair	YES
Taylor McKinzey	Navajo Area Tribes	YES
Joyce Naseyowma/Everette Vigil	Albuquerque Area Tribes	YES
Colleen Cawston / Ed Fox	Portland Area Tribes	YES
Greg Pyle	Self-Governance Advisory Committee	YES
Phillip Longie	Spirit Lake, Aberdeen Area Tribes	YES
Gordon Belcourt	Billings Area Tribes	YES

Summary

- The workgroup met to prepare for regional tribal consultation meetings in December and January. Members will attend regional consultation forums to hear directly from tribal leaders about their views on the LNF study and its use in the Indian Health Improvement Fund (IHCIF). The workgroup also listened to numerous comments offered by the audience at San Francisco.
- Many members also attended the LNF “boot camp” held the previous day. The boot camp provided detailed training with an emphasis on technical matters. More than 65 people attended the LNF boot camp.
- The workgroup scheduled attendance at the regional meetings, developed plans for conducting the consultation forums, and approved guidelines for the FY 2001 application of the IHCIF formula.

Plans for Regional Forums

- Most workgroup members are able to attend 2 of the 3 regional consultation forums, the LNF workgroup meeting February 6-8, and the national consultation forum in San Diego, March 6-7.
- Workgroup members will participate in the consultation forums to help teach and educate, but more importantly to hear the views offered in each section of the country.
- Members will help explain the overall purpose and approach of the LNF study, its use in resource allocation, summarize various aspects of the formula, and explain their views and rationale.

- Each forum is planned as 1 and ½ days. Each half-day will have a distinct focus.
 - AM session – Overview of purpose, process of LNF, and the formula. Each workgroup member may address the forum to explain his or her views. Time will be available for tribal leaders in attendance to offer statements and reports.
 - PM session – Breakouts into small groups focusing on specific issues (i.e., health status, users, etc.). Area Contacts will facilitate small groups. Workgroup members and staff will float among groups to help provide explanations. Small groups provide an opportunity for everyone to ask questions and contribute. Each group will summarize its discussions, issues and any recommendations.
 - AM session – Small groups report back to the workgroup and the forum as a whole. Workgroup members will dialogue with the small groups about the issues. Time will be available for Area specific reports if any are offered. Finally, there is an open discussion and feedback about what was learned and how it will be considered in the final deliberations of the workgroup.
- A briefing document about LNF will be available for each regional session. The focus is on a basic description for a general audience unfamiliar with LNF and will not be technical. An outline for learning about LNF will be offered. It will identify outstanding issues that are most important to the process.
- Proceedings of the forums will not be recorded verbatim. The forum proceedings will be summarized, especially views, proposals, and recommendations from tribal leaders. The summaries will be provided to the workgroup members within a week. A collated summary of findings in each regional forum will be prepared for members in preparation for the February LNF workgroup meeting.

LNF Workgroup Meeting February 6,7,8 in Denver CO

- A full workgroup meeting is scheduled to develop final recommendations to the Director, IHS
- The workgroup will consider the findings from the regional consultation forums and from other sources
- The workgroup consultants will attend to assist the workgroup (if available)
- IHS staff will present the latest data and formula calculations based on this guidance.
- Computer models of the formula will be available to demonstrate results of various options posed by the workgroup
- Consensus decision-making is desired and 3 days are available for that purpose. If consensus is not reached the workgroup will determine the method to reach decisions including whether and how to report minority opinions.
- The meeting will produce a letter to the director with specific recommendations regarding the LNF formula.
- The workgroup meeting is open to observers. The workgroup will determine whether and how to consider audience comments at the meeting. (The IHS will continue to accept written public comments after the LNF workgroup meeting up to the time of final decision by the Director.)

User Count Issues

- The workgroup requested the IHS staff should complete tabulation of FY 1999 user counts for use in the FY 2001 formula and that FY 1998 counts will be used otherwise.
- The work group requested inclusion of additional users from non-CHSDA counties whether for 1999 or 1998 according to the following:
 - If the user resides within the Area boundaries (not visits from far distant locations of the US which occur randomly and with low frequency due to travel, etc.) AND

- If the user resides in a non-CHSDA county AND
- If the user is not duplicated in counts of any other operating unit AND
- an analysis of frequency of use (1 visit, 2, visits, 3 or more visits, etc.) is to provided to determine whether utilization from non-CHSDA counties appear regular and consistent.
- User counts for Operating Units is determined with best available data by Area statisticians, but must not exceed the total count verified by the IHS program statistics office.
- Tests are underway to determine whether results of existing user unduplication is "consistent" among areas. The unduplication method itself is applied identically for all areas, but data quality may result in variations among areas. If the tests suggest significant and material differences among areas, the IHS should identify OU user counts determined from both the existing and probabilistic unduplication methods. The workgroup will then determine a course of action for the FY 2001 IHCIF based on a review of those results at the February meeting.

OPERATING UNITS

Definitions for an operating unit (OU) were discussed during the boot camp. The OU is the basic unit of analysis for the IHCIF and recipient of formula funding. Several areas may adjust OU reporting for FY 2001 to more accurately reflect the real organization of the delivery system.

- Portland – breakout of service units into OUs
- Alaska – possible breakout of the all-Alaska compact
- Phoenix – breakout of Nevada OUs

EXTERNAL PRICE INDEX

Area Office staff will use the best available data to identify price factors for each operating unit. There are two steps.

- OU financial or workload data will be used to determine the percentage of personal health care services that are purchased versus provided by in-house OU staff.
- The county level price data factors will be provided to Area Offices. Using workload or similar data showing actual referral patterns, the Area staff will select the county to which majority of referrals occur. The price index for that county will be used in the LNF computations for estimating costs of purchased services.
- The spreadsheet provided by HQ for reporting OU data will be modified for these data items.

INTERNAL PRICE INDEX (size factor)

- The formula will adjust internal costs by a factor scaled such that
 - Doubling of OU size (user counts) reduces expected costs by 10%
 - When the size factor is applied to all OUs, the average cost per person equals the benchmark amount (\$2980 * Inflation %)
- Internal price adjustments will be applied with the following guidelines
 - If <1,000 users = 135% cost factor will be applied to 10% of costs, and the prevailing external price factor will be applied to the 90% balance (units < 1,000 users typically purchase most medical services.)
 - If reported % of services that is purchased appears extreme compared to OUs of similar size and without documentation, additional guidelines will apply to substitute a percentage factor based experience of comparable OUs.

BENCHMARK

- The benchmark cost of \$2,980 per person will be inflated from 1999 to 2000 using the national inflation factor for personal health care services.

HEALTH STATUS

- In addition to the health status index, 5 supplemental health disparity indices were posed for consideration by the workgroup.
- The workgroup anticipates proposals for replacing or modifying the health status factor will come from regional consultation meetings
- The IHCIF computer formula will include options to include various health status options for the workgroup to consider at the February meeting.

FY 2000 IHS FUNDING AVAILABLE

- Areas will report FY 2000 funding allowances by OU ensuring that the totals match official allowances to the Area
- The existing "wrap-around" discount % (to exclude resources not used for personal health care services) will remain constant. The workgroup decided that the extensive work to document actual spending patterns at the local level exceeded the probable benefit.
- Headquarters will improve the "step-down" factors for IHS-wide \$ by accounting for tribal shares paid to compacts and contracts rather than using a uniform step-down amount of \$54.
- Area Offices also will identify differential step-down amounts depending on whether area shares are included in the local budget amount.
- Area Offices will OPTIONALLY adjust OU funding amounts based on actual patterns of utilization cross-over among OUS. This is unnecessary in most OUS where utilization patterns among OUS is not extensive, but may be important in some Areas (southwest & Oklahoma) and when considering how to account for funds at shared facilities such as Medical centers. Headquarters will provide additional guidelines and details for Areas that elect to do this analysis. The reporting spreadsheets will NOT apply any cross-over adjustments in FY 2001.
- If area office staff are uncertain whether to report certain non-recurring OU allowances as part of the OU budget, report these as "area-wide" resources which will be prorated among all Area OUS proportionately (area-wide amounts are exclusive of any tribal shares which should be reported as part of the local OU funds.)

OTHER COVERAGES

The workgroup debated at length the merits of using local level estimates of other health resources for the allocation model. Availability and accuracy of other coverage data are major concerns. The workgroup again requests that the IHS pursue a study with HCFA to match recipient records to better identify payments for IHS users from Medicare and Medicaid. The workgroup acknowledges that the existing statute governing the IHCIF requires consideration of other resources.

NEW TRIBES

- Workgroup reaffirmed the concept that Congress must authorize startup funding when it authorizes a new tribe.
- Workgroup endorsed using the current practice of providing startup funding for new tribes from the CHS budget increases as directed by Congress. This amount is approximately 60% based on estimates of users and costs.
- After new tribes receive startup funding, each tribe is eligible for inclusion in subsequent applications of the LNF / IHCIF formula. If new tribes receive 60% of costs as startup funding, it is unlikely to qualify for additional LNF funds in the near future because the average of all existing tribes is 60% or less. The probability of receiving LNF allocations increase if the IHCIF threshold is raised to 80% or 100%.

FORMULA THRESHOLDS

- Workgroup recognizes that some tribes want the threshold for IHCIF funding to be set at 100% rather than 60% (approximately the IHS average).
- This will be a major consultation issue in which the values for inclusiveness compete with the values to focus on the greatest need.
- The workgroup must also balance these values considering the directives of Congress to target the most needy tribes.
- The workgroup will also consider options to set a minimum allocation amount for individual operating units as urged by the Congress

LNF CORRESPONDENCE

- Letters, reports and commentary continue to arrive to the IHS
- These will be compiled and forwarded to workgroup members on a regular basis. Copies will be available at the regional forums.